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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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DAVID A. IRWIN
(202) 728-0016

May 12, 1994

Mr. William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: GEN Docket No. 90-314, Amendment Of The Commission's
Rules To Establish New Personal Communications Services

PP Docket No. 93-253, Implementation Of Section 309(j)
Of The Communications Act - Competitive Bidding

Dear Mr. Caton:

Transmitted herewith and filed on behalf of G-CAT Enterprises, Inc. ("G-CAT") are two copies of the attached Letter dated May 11, 1994 from G-CAT to Mr. Robert M. Pepper, Chief, Office of Plans and Policy, regarding Personal Communications Services. Please place a copy of this letter in the above-referenced dockets.

Should you have any questions, please contact the undersigned.

Very truly yours,



David A. Irwin

Attachment



**Global - Cabling &
Affiliated Technologies**

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Manufacturer of Custom Wire & Cable / Fiber Optic Assemblies • Distributor of Wire & Cable

May 11, 1994

**Mr. Robert M. Pepper, Chief
Office of Plans and Policy
Federal Communications Commission
1919 M Street, N.W., Room 822
Washington, D.C. 20554**

Re: GEN Docket No. 90-314, Amendment Of The Commission's
Rules To Establish New Personal Communications Services

PP Docket No. 93-253, Implementation Of Section 309(j)
Of The Communications Act - Competitive Bidding

Dear Mr. Pepper:

G-CAT, Inc. ("G-CAT"), per the Staff's invitation at the April 29, 1994 meeting with representatives of G-CAT and the Small Business PCS Association respectfully submits the following comments regarding the Commission's Rules for broadband Personal Communications Services ("PCS"). By way of background, G-CAT is a **small, 100% minority owned business located at the Hartford Enterprise Zone** in the State of Connecticut, engaged in the manufacturing and distribution of custom wire and cable products, including fiber optic assemblies, for the telecommunications industry. As such, G-CAT is particularly interested in the Commission's treatment of designated entities in the allocation and auction process for broadband PCS.

PCS represents the most important new service that the Commission will license over the next decade. The Commission indicated that it will stress four values in allocating spectrum and establishing a regulatory structure for PCS: competition in the delivery of services, speed of development, universality, and diversity, the Commission must adopt effective rules that ensure participation by small businesses, women-owned businesses and minority-owned businesses. As quoted by Dr. H. Warren Morrison: "One of America's strengths is its diversity. Diversity brings new ideas and understanding that spur job creation and economic development."

G - Cat, Inc.

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Tel. (203) 525-2650 • (800) 422-8663 • Fax (203) 278-9866

To ensure an effective opportunity for small, women-owned and minority-owned businesses to participate in broadband PCS, the Commission must not only reserve a significant block of spectrum exclusively for use by such designated entities, and adopt preferences such as installment payments and bidding credits, but should also consider and adopt the use of tax certificates and preferences based on such designated entities location in an "enterprise zone." Merely providing for the use of installment payments or bidding credits, without the retention of the spectrum set aside for designated entities and the preferences discussed herein, will not enable small, women-owned corporations, which may bid for PCS licenses based on a broader strategic goals, as well as the expected financial return from a given license.

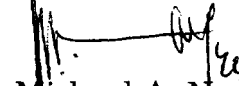
Specifically, G-CAT submits that small, women-owned and minority-owned businesses must be eligible for tax certificates, which may be used both to attract capital investment and to encourage subsequent purchases or sales which increase participation by such designated entities. The use of tax certificates to attract capital investment will be critical to the ability of small, women-owned and minority-owned businesses to participate in the market as truly independent providers of broadband PCS services, thereby increasing competition and diversity in such marketplaces. G-CAT suggests that Congress recognizes the potential value of tax certificates when it directed the Commission, in Section 309(j)(4)(d) of the Communications Act, to consider the use of tax certificates to encourage designated entity participation in spectrum-based services.

Furthermore, G-CAT submits that the public interest would be served by the Commission's consideration and adoption of a preference for small, women-owned and minority-owned businesses that make a key commitment to economic development in their communities. G-CAT suggests that the Commission may accomplish such a public interest objective by providing a preference to small, women-owned and minority-owned businesses that are located and will conduct their operations within an "enterprise zone," as such areas may be defined by federal, state, or local legislation. In addition, the Commission may require that such designated entities make certain commitments toward achieving equal employment opportunity goals, reinvesting a portion of their profits in technical training schools or similar programs in their communities, or other comparable public interest commitments. G-CAT firmly believes that such a preference would encourage participation by entities that will truly return a social and economic benefit to their community, thereby serving the public interest, rather than participation by entities that may be seeking purely personal gains.

In any event, G-CAT encourages the Commission to move swiftly toward the adoption and implementation of Rules that will bring PCS to the marketplace as soon as possible. To this end, G-CAT would be happy to submit, on short notice, any additional details on the foregoing proposals that the Commission may require.

Should you have any questions, please feel free to contact G-CAT at your earliest convenience.

Respectfully-submitted,

A handwritten signature in black ink, appearing to read "Michael A. Nnaife", written over a horizontal line.

Michael A. Nnaife
President/CEO

cc: U.S. Senator Joseph I. Lieberman
Attached Service List

CERTIFICATE OF SERVICE

I, Lorena L. Ferry, hereby certify that on this 12th day of May, 1994, copies of the foregoing "Letter to Mr. Robert M. Pepper, Chief, Office of Plans and Policy" have been served by hand delivery upon the following:

Robert M. Pepper, Chief
Office of Plans and Policy
Federal Communications Commission
1919 M Street, N.W., Room 822
Washington, D.C. 20554

Donald Gips, Deputy Chief
Office of Plans and Policy
Federal Communications Commission
1919 M Street, N.W., Room 822
Washington, D.C. 20554

Chairman Reed Hundt
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

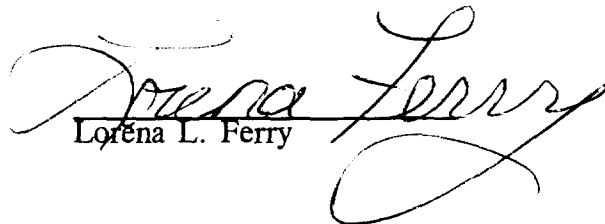
Tom Stanley, Chief Engineer
Office of Engineering and Technology
Federal Communications Commission
2025 M Street, N.W., Room 7002
Washington, D.C. 20554

Commissioner James Quello
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

Ralph Haller, Chief
Private Radio Bureau
Chair, PCS Task Force
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Commissioner Andrew Barrett
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

Michael Katz, Chief Economist
Federal Communications Commission
1919 M Street, N.W., Room [?]
Washington, D.C. 20554


Lorena L. Ferry